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*I.—General Results of the Commercial and Financial History
of 1867.*

FROM the *Economist*, and in continuation of the annual series for 1863, 1864, 1865, and 1866, which have appeared in that paper. See *Journal*, vol. xxx, pp. 138 *et seq.*:—

“In our Review of 1866, we said that that year had ‘left behind it sinister influences which will penetrate far into 1867, or perhaps into 1868,’ and the events of the last twelve months have confirmed this expectation. Nearly the whole of 1867 has been occupied in correcting the mistakes which preceded, and retrieving, as far as possible, the losses which were inflicted by the crisis of 1866. The year has been, therefore, throughout its whole course, a period of arrangements, liquidations, compromises, retrenched expenditure, circumscribed trade, and general indisposition to trust the future. It has been a year of strict supervision of all elements of cost—a year of declining wages and of stern comparisons between English and foreign capabilities of commanding neutral customers.

“Except towards the end of 1867, foreign politics have given but little trouble. The invasion of the Papal States by Garibaldi, in October, and the renewed French occupation of Rome, occasioned, for a few weeks, a degree of apprehension. But the larger danger of a quarrel between France and Germany subsided as the year advanced, and as it became more manifest that the German people, north and south, however divided among themselves on a few questions, would act as a single State in repelling a foreign enemy.

“The war in South America, waged by Brazil, Buenos Ayres, and the Argentine Republic, against Paraguay and its dictator, Lopez, has become more serious with the lapse of every month. Unless speedily terminated, it will greatly cripple all the States engaged in it; and, as regards Brazil, may lead to most complicated evils. The practical inaccessibility of Paraguay, and its immense distance from the coast, will probably compel the allies to abandon the war. This South American conflict, disturbing, as it does, the progress and organisation of large areas of production, is yet another example added to the long catalogue of wars which, since 1851, have prevailed over the world, and entirely distorted the course of ordinary supply and demand. The insurrection in Crete, against

the Turkish Government of the island, has been too small an affair to lead to much mischief; and possibly it may produce, indirectly, a great good, if it makes manifest to Western Europe the pestilent politics of the Greek propaganda at Athens, and the utterly unscrupulous measures employed by them to irritate their nearest neighbour, and, in many senses, their best friend.

"The English expedition to Abyssinia, despatched in October, is a great misfortune. The system of the Foreign Office in permitting any persons to assume an official character in the dominions of a remote and savage ruler, deserves the most marked reprehension. If adventurous travellers think proper to risk their lives in African wildernesses, they must do so as private persons, and in no way under the Queen's commission. Instead of costing two or three millions sterling, this wretched squabble with King Theodore will certainly cost ten or twelve, and may expose us to formidable risks. The immediate effect of the expedition was to find employment towards the end of the summer for a considerable number of vessels, chiefly steamers, then lying idle, and in this way to afford sensible relief to the freight market. The amount per month being disbursed for freight is said to be nearly half a million sterling.

"There are symptoms, perhaps, that the condition of armed peace, under which Europe has laboured for five or six years past, is becoming too costly to be borne much longer. The burden is most acutely felt in France. The Army Organisation Bill, just passed, after great delay and discussion by the French Chambers, is disliked in the provinces; and the loan of seventeen millions sterling, about to be raised by the Emperor's Government, is severely criticised as a desperate price to pay for the indulgence of military vanity. In North Germany, the events of 1866 have hitherto condoned the severe financial burdens arising out of them; but the extensive destitution prevailing in several districts, particularly in East Prussia, is creating a reaction in favour of retrenchment. In Italy the Government is both too weak and too blundering to grapple with the excessive army expenditure. But in Austria, one of the earliest results of a really responsible executive has been a reduction and reform of the army beyond any former precedent in that country. Russia is, perhaps, more severely pinched than France by its excessive outlay on military and naval armaments, and, in spite of occasional spurts of arrogant interference, it is not probable that real difficulty will arise from Russian politics. So long as the present Government prevails in France, and the external action of that country is dependent on the will, the varying health, and the uncertain life of the emperor,—already aged and prematurely feeble,—it is impossible to apply the ordinary rules of reasoning. But, apart from caprices not to be foreseen, it is a possibility that the next year or two may witness a marked diminution in that extravagance of military equipment and expenditure which has been so great a hinderance to the increase of wealth during the last twelve years.

"The Harvest of 1867 was almost universally bad or indifferent. In the circular quoted *passim*, Messrs. Horne give a full account of

the extent and wide diffusion of the deficiency. The winter of 1866-67 was exceptionally severe—especially in this country where, in January (1867), there was for two or three weeks a depression of temperature equalled only at rare intervals of time. Over the whole north of Europe and a considerable part of Germany, the grain crops of 1867 were alarmingly deficient. The maize also failed to the extent of a third, or even a half. In the United Kingdom the wheat crops, notwithstanding apparent strength before harvesting, have proved to be largely deficient, and the potato crop is reckoned the worst since 1845-46. The harvest in the United States and Canada was regarded as highly favourable. But the threshing has revealed a more unsatisfactory result. The only really great crops have been in Hungary and along the lower Danube, and in these regions the increased demand and high prices have conferred the most solid advantages.

“ If we take the *Gazette* average price of Wheat in England in the last week of October—that is, at a time when the character of the harvest had been generally ascertained—for the last five years, we shall the better understand the deficiency of 1867. The figures are:—

		s.	d.	
26th October, 1867	.....	70	8	per imperial quarter.
" '66	.....	52	6	"
" '65	.....	42	4	"
" '64	.....	38	6	"
" '63	.....	40	—	"

“ The very unfavourable character of the harvest of 1866 made itself felt in a sensible degree before the end of that year; for, on 28th December, 1866, the average price had risen to 60s., and it gradually advanced till, at the end of May, 1867, it stood at 65s. 3d. In the year and a-half, therefore, which have elapsed since July, 1866, we have had in this country a price of wheat from 60 to 80 per cent. above the prices which prevailed in the three years, 1863-65; and the same remark holds good of a large part of Europe and America. In the wide diffusion of a calamity of this magnitude, there is afforded at once an explanation of a large part of the difficulties of 1866 and 1867, and the present time.

“ The revelations necessarily arising out of the sinister events of the last two years are gradually enabling us to understand, with tolerable precision, the causes which produced the inflation of the Prosperity Years, 1863-65. The commencement of the American War on a large scale in 1861 saved the Lancashire manufacturers from losses of the most extensive kind, on the enormous production of the previous year, 1860. Instead of the shipments to India and elsewhere being sold at prices far below cost, they produced returns in many cases of extravagant profit. All this unexpected cash, added to the temporary cessation of the mills in consequence of the dearth of cotton, produced such a plethora of unemployed capital in Lancashire and other parts as had not occurred before. In 1862 came the enactment of limited liability, and with it the expectation of large profits by the application of the new-law to ordinary

partnership concerns. The result was the rage for limited liability companies during 1863-65. Fostering and aggravating the tendency of these events, there was the reckless 'financing' of Overend, Gurney, and Co., the Joint Stock Discount Company, and a variety of other 'financial institutions' of the same order. The facility of raising money started forward in accelerated motion the whole tribe of railway contractors, projectors, and schemers; and so it came to pass that for three or four sessions, railway bills were passed by the hundred,* and production and wages of all kinds raised step by step, until the rate of discount was maintained at 8 and 10 per cent. for months together, and, until at last, the process could be carried no further, and the crisis came in the early part of 1866.

"Since that catastrophe, we have been painfully retracing our steps. The channels of trade have been largely purged of the needy and incompetent people who suddenly became apparently rich in the prosperity years, and embarked in large ventures, because Overend and Co., and other similar 'institutions of credit,' gave them almost unlimited assistance. The railway contractors and schemers have been dispersed by the operation of the same causes; and the limitation of demand has gradually led to a fall of prices and wages, until a point of depression had been reached almost as low as in 1859, and, in some cases, as low as in 1857.†

"In the following Table (I), we adopt the example of former years in presenting in a condensed form the *Percentage* comparison

* The railway legislation of the six years 1862-67, is shown by the following table for the several Sessions of Parliament:—

Bills.	1862.	1863.	1864.	1865.	1866.	1867.	Total, Six Years.
Lodged	230	258	327	406	398	151	1,776
Withdrawn	46	66	58	67	123	46	406
Rejected	34	42	60	63	65	10	274
Royal assents	150	150	209	276	210	95	1,090

Note.—The bills lodged for Session 1868, are only 109.

† "As an evidence of the extensive retrenchments which are being carried out in all kinds of expenditure, the following paragraph is copied from the *Globe* newspaper of 20th February, 1868:—"The financial collapse of 1866 is having deeper effects than has been imagined. The public has been made acquainted with several great failures following close upon it, but the cases of hundreds who have suffered severely will, perhaps, never come to light. A striking fact, however, in connection with Her Majesty's Customs, clearly proves how great the devastation has been among private individuals in consequence of that panic. In the Inland Revenue Department at Somerset House, as the public are aware, is kept a register of all those persons paying duty on carriages and horses, and at this office notice has been received, since the 31st of December last, that 1,600 private persons intend to discontinue keeping their carriages, and claim, therefore, to be exempt from duty in the financial year 1868-69. This will cause a noticeable deduction in the balance which the Chancellor of the Exchequer will next have to exhibit. The loss to the revenue by these withdrawals will not be less than 10,000*l.* per annum."

of prices at the end of 1868, as compared with 1st January, 1867, and former dates. The note at the foot of the table explains its construction and the mode of reading it.

(I).—*Wholesale Prices in London. Comparison of 1st January, 1868, with Three Former Dates, stating in Percentages the Degree in which the Prices of 1st January, 1868, were Higher or Lower than the Prices prevailing at the Three Selected Earlier Dates.*

Articles.	Higher	Lower	Higher	Lower	Higher	Lower	Higher	Lower
	Than 1st January, 1867.		Than 1st January, 1865.		Than 1st January, 1859.		Than 1st July, 1857.	
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Coffee	—	5	—	13	10	—	—	6
Sugar	10	—	6	—	—	8	—	40
Tea	—	4	—	3	—	14	—	32
Wheat	25	—	75	—	70	—	10	—
Butchers' meat	—	7	—	10	—	—	7	—
Indigo	5	—	14	—	33	—	27	—
Oils	—	1	5	—	17	—	2	—
Timber	—	1	—	3	4	—	—	9
Tallow	—	7	6	—	—	18	—	50
Leather	5	—	4	—	18	—	—	10
Copper	—	12	—	15	—	25	—	35
Iron	—	2	—	10	—	14	—	30
Lead	—	2	—	4	—	12	—	26
Tin	13	—	—	3	—	23	—	34
Cotton	—	60	—	74	—	16	—	17
Flax and hemp	4	—	—	8	5	—	—	—
Silk	—	12	2	—	16	—	—	25
Wool	—	20	—	27	—	11	—	23
Tobacco	—	—	—	40	20	—	5	—
Cotton cloth	—	36	—	55	—	—	—	—
Total Bank Note circulation of Great Britain }	3	—	1	—	7	—	7	—

Note.—This table, deduced from the percentages given in Appendix (D), may be read thus:—On 1st January, 1868, coffee was 5 per cent. *lower* than on 1st January, 1867; 13 per cent. *lower* than on 1st January, 1865; 10 per cent. *higher* than on 1st January, 1859; and 6 per cent. *lower* than on 1st July, 1857; and the like for other articles.

“ If we compare 1st January, 1868, with 1st January, 1865, the fall of general prices and the rise in wheat is very apparent. The greatest fall occurs, of course, in cotton, and all the articles dependent on it and on the American war. Speaking in general terms, our impression is that at the opening of 1868, prices and wages are from 15 to 25 per cent. lower than in 1865. In the iron trade, it is probable that throughout the country wages in money are

nearly 20 per cent. lower than two years ago, and for actual productive purposes perhaps 25 or 30 per cent. lower, taking into account the better discipline of the men, and the exclusion which has taken place of the turbulent and unskilful hands.

"It is very desirable, but very difficult, and perhaps, impossible, to reduce to a satisfactory numerical test the variations of prices and wages as between different dates. The *percentage* method of the preceding Table (I) accomplishes a little, and, so far as it goes, is not seriously defective. The following Table (II) attempts to collect into a still smaller compass the same class of facts, but, as explained in the foot-note of the table itself, many qualifying circumstances must be allowed for in using the figures it contains :—

(II).—*Approximate Table of the Variations in Wholesale Prices, 1857-68, as Represented by the Totals of the Index Numbers given in Appendix (D).*

Date.	Total Index Number.	Difference.		Difference.	
		More.	Less.	More.	Less.
(I.)					
1851, 1st January	2,294	—	—	Per cent.	Per cent.
1857, 1st July	2,996	708	—	30	—
'58, 1st January	2,612	—	384	—	13
'59, "	2,543	—	69	—	2
(II.)					
1864, 1st January	3,787	1,244	—	48	—
" 1st July.....	3,792	15	—	—	—
1865, 1st January	3,525	—	267	—	7
" 1st July.....	3,387	—	138	—	4
1866, 1st January	3,544	157	—	5	—
" 1st July.....	2,922	—	622	—	17
1867, 1st January	3,024	102	—	4	—
" 1st July.....	2,833	—	191	—	6
1868, 1st January	2,582	—	251	—	9

Note.—The "total index number" in this table is arrived at by adding together the numbers in Appendix D* under the corresponding dates—thus, 2,996 is the total of all the numbers at 1st July, 1857 (excluding, of course, the 101 which represents the bank note circulation). It must be carefully remembered that the total index numbers obtained in this way can be only roughly *approximative*, inasmuch as each article, without regard to its importance, contributes in the same degree to the result,—thus at 1st July, 1857, *raw silk* is counted as 204—the article itself being of vastly less importance than *wheat*, which stands at 118, and the same with several other commodities. Still, when careful allowance is made for these corrections, the *total index number* has some uses. In the years 1864-66, the high prices of *cotton* and *wool* chiefly account for the enlarged index numbers.

* Reference to the Appendix of the original paper, as published in the *Economist* on the 14th March.

“ The evidence of this table, taken in conjunction with other facts, quite justifies the conclusion that in the years 1864-65, general prices had risen to a level higher, perhaps, than had been attained since the peace of 1815—and they also justify the conclusion that the continued fall of the last two years has reduced us to a point almost as low as in the opening of 1851—the year in which culminated the long train of unfavourable influences commenced with 1847, and extending through the three following years.

“ The slack trade of the last two years has brought to a stern test the pretensions of the Trades' Unions in this country. During the prosperity years, these combinations were almost supreme. The competition of employers enabled the unions to substantiate one claim after another, until a point had been almost reached when the discipline of large bodies of workmen became impossible. The mere mob law of the majority of idle, noisy, and unskilled ‘ hands,’ was fast becoming the rule in every trade, and was driving ability and capital out of the field. The panic has effectually corrected this evil, and has, in truth, saved the industry of the country from one of the greatest dangers which ever beset it. Strikes have been organised, during the last two years, in almost every considerable trade—in some cases, as among the ironworkers, there has been a series of strikes—but in every case they have failed. Where a demand did exist it has been destroyed by the strike, and the men have been taught by the kind of rough experience which, in their present temper, they seem alone able to understand, that wages are not even to be procured at all, much less raised, by mere combination. The Royal Commission on Trades' Unions, under Sir William Erle, has already rendered great service, by bringing to light the atrocities of the trade committees at Sheffield and Manchester, and by collecting from all quarters evidence of the tyrannical and mischievous regulations enforced by the leaders of the union movement.

“ The inquiry into the state of Industry, trade regulations, and technical education abroad, entrusted by the Government to Mr. B. Samuelson—himself largely engaged in the iron manufacture—will also lead to useful results. In Appendix (N), an analysis is given of Mr. Samuelson's conclusions. Looking at the evidence he has collected, and still more at the unfavourable results as regards British industry of the Paris Exhibition of last year (1867), there is no escape from the unwelcome and urgent conclusion that the foreign trade of this country must be prepared to sustain itself against a competition of the most searching character. Foreign skill, capital, science, and organisation, are now fully able to dispute the supremacy of this country in several important kinds of manufacture, and we must either improve our means of production, or see our exports, and therefore its means of finding employment and paying wages, diminish, and, as a result, the pressure of poor rates and destitution increase. Severe as has been the suffering of the last two years, it is clear that no experience less impressive would have sufficed to correct effectually the previous errors and extravagance.

“The revival of the Cotton cultivation in America has already reduced the export of Gold and Silver to India to a narrow compass. Instead of the enormous drain of 24 millions sterling in each of the years 1863-64, and of 14 millions in 1865, the exports fell to 10 millions in 1866, and in 1867 to the comparatively small sum of $3\frac{1}{2}$ millions. We give the facts in the following Table (III) :—

(III).—*Export of Gold and Silver to Egypt and the East, per Peninsula and Oriental Steamers.*

	Gold.	Silver.	Totals, 1867.	Totals, 1866.
1867.	£	£	£	£
January	4,800	15,800	20,600	1,001,000
February.....	2,400	24,800	27,200	757,200
March	100	67,300	67,400	350,800
April	19,200	309,500	328,700	436,200
May.....	2,100	4,600	6,700	45,500
June	1,200	16,200	17,400	17,300
July.....	900	19,400	20,300	13,000
August	34,100	11,700	45,800	9,500
September	24,600	65,800	90,400	13,300
October	71,300	37,700	109,000	111,000
November	68,300	40,300	108,600	40,500
December	30,000	30,700	60,700	55,800
Peninsula and Oriental steamers from Mediter- ranean ports	259,000	644,000	903,000	2,851,700
	534,000	1,081,000	1,615,000	3,607,600
French steamers	793,000	1,725,000	2,518,000	6,459,300
	855,000	322,000	1,177,000	3,504,000
	1,648,000	2,047,000	3,695,000	9,963,300
1866	2,871,000	7,075,000	9,946,000	—
'65.....	4,349,000	9,744,000	14,093,000	—
'64.....	6,969,000	16,956,000	23,925,000	—
1863.....	8,022,000	15,136,000	23,158,000	—
'62.....	3,391,000	14,599,000	17,990,000	—
'61.....	1,427,000	8,859,000	10,286,000	—
Total	28,677,000	74,416,000	103,093,000	—
Average seven years, 1861-67	4,096,000	10,630,000	14,730,000	—

“The figures of this table disclose the most remarkable result of an export of gold and silver to the East, as follows :—

Period.	Totals.	Yearly Average.
Seven years, 1861-67—Gold.....	Mins. 28½	Mins. 4
” Silver	74½	10½
	103	14½

"The economic and monetary revolution indicated by these figures is, perhaps, the most extraordinary in modern times. In France, the silver currency has been, in a great degree, transferred to India, and has been replaced by gold, and by a large proportion of bank notes—both entirely new facts in the history of the French circulating medium. The same thing has happened, but on a smaller scale, in Germany. A large part of the produce of the silver mines in Mexico and South America has gone to India, and the gold produce of Australia and California has supplied the means of procuring the silver from France and elsewhere. In 1867, there has been a cessation of the gigantic process of the preceding four years, and hence the large accumulation of bullion in the banks of England and France. The forced paper currency of the United States has expelled a considerable part of the metallic circulation with which they began the civil war, and the gold and silver so exported to Europe has helped to feed the drain to India and China. But the persons who are still haunted by fears of an approaching decline in the exchangeable value of gold, may derive some consolation from the reflection that at this moment six of the greatest and most populous countries of the world are, under dispensations of compulsory paper money, excessively depreciated. In the United States, the depreciation, as measured by the premium on gold, is 40 per cent; in Brazil, it is 50 per cent.; in Italy, 15 per cent.; in Austria, 10 per cent.; in Russia, about 12 per cent.; and in Turkey, about 20 per cent. The mass of paper money in use in these six countries cannot be much less than 600 millions sterling; and the whole of this vast aggregate must, in process of time, be replaced by coin. In Hungary, for example, the abundant harvest there of 1867 has already so far turned the balance of trade in favour of that country as to produce large additions to the previous stock of the precious metals.

"A few years will enable us to judge of the effects on the Indian populations of the prodigious prosperity of the last five years. The railways will have effectually opened up new markets in the interior, and will have carried European goods where they never appeared before, and the improved means and wages of the cultivators will enable them to buy articles formerly beyond their reach. All these influences will powerfully tend to make European exports to India more nearly balanced than hitherto the European imports from it; and will, therefore, reduce the trade to such an exchange of commodities as will require but small supplemental transmissions of specie. It is, indeed, conceivable that at no distant period, the current of the metals might tend more strongly *from* India than *to* it.

"The prospects of the India trade depend, of course, in an intimate degree on the complexion of events in the United States. In Appendix (P) we give, from a leading newspaper, what we believe to be as impartial a statement of the existing facts in America as can be had at present—and the result may well justify the gravest anxiety. The leading features of the situation are four, viz.—First, a state of poverty and disorganisation over a large part of the South, so complete that society is dissolved into its original

elements, and industry and production have almost ceased. Second, a system of taxation of the most oppressive and harassing character, and so burdensome in amount, and so unskilfully adjusted, that it is fast destroying many branches of trade. Third, the rapid growth of a political party—especially in the Western and more vigorous States, to which States the periodical revision of the representation in 1870 will give the preponderating power—who avow the intention of repudiating a large part of the public debt, and thereby destroying national credit; and, lastly, the daily increasing bitterness of the conflict between the president and the democratic party on one side, and the republican party on the other—a conflict which seems likely to end in tearing to pieces all those parts of the constitution upon which dependence was placed to avert the destruction of the central power.

“The latest financial acts of Congress have been directly opposed to the policy of Mr. McCulloch, the secretary of the treasury. The secretary advises measures intended to bring about specie payments,—the Congress pass a special law, which prohibits in future those partial contractions of the currency permitted by former acts. Mr. Wells, the able and conscientious colleague of Mr. McCulloch, has recommended a revision of the whole fiscal system, in the sense of simplification and free trade; but it is exceedingly doubtful whether his report, forcible and exhaustive as it is, will obtain more than casual notice.

“Much greater progress has been made in 1867 towards restoring the Cotton Trade to a sound state than was expected a year ago. Put into the smallest compass, the outlines of the case are as follows :—

Period.	Average Price per Cent.	Annual Value of Cotton Consumed.	Total Annual Consumption.
	<i>d.</i>	Mln. £	Mln. lbs.
1867.....	10 $\frac{1}{8}$	41	954
1866.....	13 $\frac{1}{2}$	52	891
'65.....	15 $\frac{3}{4}$	47	718
'64.....	22	52	561
Five years, 1856-60 ...	6 $\frac{1}{2}$	25	900

“As regards *quantity consumed*—that is, as regards employment and wages—1867 is already beyond the pre-war period, 1856-60—in the proportion of 954 to 900 millions of lbs. The average price, also, of 10 $\frac{1}{8}$ *d.* is less than one-half the price of 1864,—and a reference to the circular quoted in the Appendix, will show that for the last three months of 1867, the price of middling upland cotton was little more than 7 $\frac{1}{2}$ *d.*—or very nearly the same as the corresponding quotation during the period 1856-60. In point of fact, the difficulty of the cotton trade seems to be effectually surmounted. Lancashire is again at full work, and for the last few weeks at fair prices. The

mistake committed in 1866 by the manufacturers, of producing too much, has been overcome by a year's slackened activity, and the foreign markets seem to be in a great measure cleared of goods. The cry now is, that the supply of raw cotton in 1868 will be insufficient, and since 1st January last, prices at Liverpool have risen rapidly, until midland uplands, which were $7\frac{1}{2}d.$ early in January (1868), are now (end of February) $10\frac{1}{2}d.$, and are said to be likely to reach $12d.$ Whatever may be the immediate results of this formidable and sudden recovery of price, it will indirectly have the good effect of checking any undue haste in the abandonment of cotton culture in the producing countries. The effects of the continued decline in cotton during 1865-67, have been most disastrously felt in Liverpool. It has been said that 1865 ruined the speculators, 1866 the merchants, and 1867 the producers. However that may be, it is certain that the destruction of houses in the cotton trade, both in Bombay and Liverpool, has been more extensive than at any former period. In Bombay, nineteen out of twenty-seven banks have failed. In Liverpool, the most conspicuous failure has been that of the Royal Bank of Liverpool in October (1867), and besides this stoppage, several smaller banking and exchange institutions in the same town came to an end. Looking at the violent fluctuations with which 1868 opens, it is tolerably certain that the mischief is not yet exhausted.

"The following Table (IV) gives the facts more in detail:—

(IV).—*United Kingdom, 1856-67. Estimated Value of Raw Cotton Imported, Re-Exported, and Consumed. (Ellison and Haywood's Circular.)*

[00,000's omitted, thus 53,8 = 53,800,000.]

Years.	Imported. Value.	Re-exported. Value.	Consumed in United Kingdom. Value.	Average Price per Pound.	Total Weight Consumed.
	Mln. £	Mln. £	Mln. £	d.	Mln. lbs.
1867	53,8	14,0	41,2	10 $\frac{3}{4}$	954,5
'66	75,8	19,5	51,9	13 $\frac{3}{4}$	890,7
1865	63,2	17,1	47,2	15 $\frac{3}{4}$	718,6
'64	82,2	22,1	52,4	22	561,2
'63	58,0	21,6	40,7	20 $\frac{3}{4}$	476,4
1862	31,1	12,4	26,7	14	449,8
'61	38	7,9	32,2	7 $\frac{3}{4}$	1,005,5
'60	36,6	5,5	28,9	6 $\frac{3}{4}$	1,079,3
1859	32,2	4,1	27,6	6 $\frac{3}{4}$	977,6
'58	27,2	3,3	24,8	6 $\frac{3}{4}$	907,8
'57	28,6	3,5	24,8	7 $\frac{1}{2}$	825,0
'56	26,0	3,3	22,7	6 $\frac{3}{4}$	Not given

"Next to the cotton trade, the *Iron industry* of this country is the most important, and accordingly in the Appendix we have collected very full particulars of the course of the iron trade in 1867.

The severity of the pressure has been exceedingly great in this trade. The *Iron Trade Review* (Newcastle), speaking of 1867, says:—‘It would be tedious to detail the fluctuations which have marked the passing months. It is sufficient to state that, despite many temporary and sectional changes of an encouraging character, the average position of the trade has continued to gravitate slowly downwards, until at the beginning of 1868 we have arrived at a stage of almost universal depression. The causes of the stagnation are not far to trace. They are, briefly, *over-production*, arising from an inflated and exceptional demand for iron a few years ago; the collapse of home and foreign railway schemes for extensions and new lines; the defective harvests of 1866 and 1867; and the injuries inflicted upon the trade, owing to the action of trades’ unions.’ The pressure has been most severe, perhaps, in South Staffordshire, a district which seems to be approaching the end of its career as a leading iron district. North Staffordshire, South Wales, and Scotland, have all suffered acutely, nor has the pressure failed to cause great distress in Cleveland, the district in which, from natural advantages, the trade seems likely to develop itself with remarkable vigour. It is already a notable sign in the trade that Cleveland can afford to send pig iron in large quantities to Scotland, and there are sagacious persons who foresee that iron shipbuilding will, before long, become concentrated in the Clyde and Tyne, as the two rivers possessing the means of greatest economy of production. Discoveries are being frequently made of the extension of the ironstone beds into the midland districts of England, as, for example, in Northamptonshire, Oxfordshire, &c. The last two years have freed the iron trade from a shoal of speculators and adventurers, and the whole economy of the manufacture has been thoroughly investigated with a view to economies.

“The most prominent topic of the year has been the discredit and exposure which has overtaken several of the largest Railway companies. In 1866, the *London, Chatham, and Dover Company*, the *Great Eastern Company*, and the *North British*, were compelled virtually to seek arrangements with their creditors. In 1867, this list was extended by the addition of the *Great Western Railway* and the *London and Brighton*. In the case of the *Caledonian Company*, the former directors have been displaced after a prolonged discussion and investigation, in which it was proved that the dividends of several years past have been unduly inflated by the process of charging to capital expenditure which properly applied to revenue. In the case of the *Midland Company*, profound excitement was occasioned in December (1867), by the issue of an official circular announcing that five millions more capital were required to complete new lines and extensions—the principal of which were the new line from Bedford to London, and the line parallel to the existing railway from Lancaster to Carlisle. The *North Eastern Company* were attacked with accusations similar to those sustained against the *Caledonian Company*; but the *North Eastern* board met the case upon its merits, and succeeded in satisfying their shareholders and the public that the assailants were in error. The companies which

have entirely escaped hostile criticism are the *London and North-Western*, the *South-Eastern*, the *Great Northern*, the *London and South-Western*, the *Lancashire and Yorkshire*, and the *Manchester, Sheffield, and Lincoln*.

"The most scandalous case of all is certainly that of the *Brighton Company*. Investigation has shown that for a series of years, the dividends paid on ordinary stock have been fictitious—that is to say, they have been paid by additions to capital—that extensions and new lines of the most absurd character have been undertaken, and that the entire administration of the line has been reckless and irregular.

"The events of 1866-67 constitute the third great epoch in the railway history of this country. The first epoch was from 1832 to 1836, when most of the leading trunk lines were projected and sanctioned; the second epoch was 1844-46, when, under the influence of the mania which then prevailed, the public committed themselves to an expenditure on new lines utterly beyond the available resources of the country. The scandals and defects which have now been brought to light resolve themselves into vices of *internal administration*. A vigilant and competent executive would render impossible the undue relief of revenue to the prejudice of capital, and would render equally impossible excessive expenditure on lines and works incapable of producing adequate returns. The distress and losses which have overtaken so many thousands of railway shareholders will work the necessary cure after more or less blundering; and as almost every part of the country is now provided with railways, the process of internal reform will not be interrupted by the incessant interference of intrigues for the construction of new lines.

"The Liquidations of 1867 have been as unsatisfactory as in former years. There are scores, perhaps hundreds, of bankrupt estates in the hands of liquidators, of which it seems to be impossible to ascertain any reliable particulars. Nor is this to be wondered at, so long as the present monstrous system is permitted to continue. A firm, or an individual, find themselves unable to meet their engagements—they send out a laconic circular announcing the fact, and adding that they have placed their books in the hands of the eminent accountants A. B. C., who will forthwith prepare a statement, &c. The statement is prepared accordingly, sooner or later, and generally shows a large surplus of assets, and promises ten or fifteen shillings or more in the pound. The eminent A. B. C. are named liquidators, and after a year or longer, there is a first and final dividend of sixpence or a shilling; and the 'unfortunate' bankrupts have contrived all the time to live in the same splendour as before the stoppage, and to start business again apparently upon as large a scale as ever. This is not in the least an imaginary picture. There are at this moment scores of cases, the details of which are even more disgraceful, and such cases must continue to be the rule so long as the defaulters are permitted to select their own accountants and liquidators, and practically prescribe their own terms to their creditors.

"In the case of Overend, Gurney, and Co., Limited, an appeal to the House of Lords confirmed the decision of Vice-Chancellor Malins, as regards the responsibility of the shareholders for the debts of the company, notwithstanding the gross misrepresentations of the prospectus—but the judgment expressly declared that the promoters and directors of the company were guilty of gross fraud towards the parties who became shareholders, and that the directors were distinctly liable to these parties for the losses incurred. So far, no public measures have been taken against the directors, and it seems to be probable that the concoctors of one of the most flagrant commercial scandals which ever occurred will escape the punishment they so amply deserve.

"In the case of the *London, Chatham, and Dover Railway*, it is probable that proceedings, now before the Court of Chancery, will, at least, bring to light the leading details of the extraordinary process by which 10 millions sterling of actual money was extracted out of the public for the purposes of one of the most reckless enterprises ever undertaken.

"The *Royal Bank of Liverpool* failed on 21st October last, with $1\frac{3}{4}$ millions of liabilities; and a committee of investigation was appointed under a public pledge then given by the chairman of it, that no concealment would be permitted, and that the whole story should be made plain to the sufferers. But more than four months have elapsed, and nothing further has been heard of the matter. The case of the notorious *Barned's Bank, Limited*, also a Liverpool failure of 1866, remains likewise in convenient obscurity.

"The reform of the bankruptcy law has been so often attempted, and so often failed, and there seems to be such an incompetency in Parliament to deal with the subject in an effective way, that the prospects of any real amendment in the treatment of defaulting debtors are, in the highest degree, unsatisfactory. And yet it is every day more clear that if this country is to prosper at all, a remedy of the most absolute kind must be speedily found for the scandals which now abound on all sides.

"In one instance, the courts have been able to overtake with exemplary penalty the manager of a company which raised money by false representations. We refer to the case of *Crossley v. Elworthy* (reported in Appendix R), arising out of the proceedings of the London and Colonial Company, of which Elworthy was managing director, and against whom the Court of Exchequer has given a verdict for 35,000*l.* for the losses sustained by the plaintiff Crossley, through fraudulent pretences and statements.

"We also report in Appendix (S) a second important case, *Grissell v. Bristowe*, the effect of which, by fixing the 'dealers' on the Stock Exchange with the obligation of registering shares purchased by them, will go a long way towards destroying the marketability of shares in companies in any degree of questionable solvency and character—and, of course, will put an end to the multitude of concerns which are set up chiefly for Stock Exchange purposes.

"It is probable that we enter upon 1868 with the point of

lowest depression turned in most of the leading trades, and appearances seem to justify the expectation of a slow revival of confidence and extension of operations. If the coming harvest should be generally abundant over Europe, the beneficial effects cannot fail to be felt in a marked degree before the end of the year. But, however disastrous may have been the experience of 1866-67 in many quarters, these two dark years will, in future, be regarded as the period of rough discipline which saved this country from evils which were rapidly destroying its resources and character."

Appended to the original article, as printed in the Supplement to the *Economist*, is a series of valuable tables. The subjoined list will convey some notion of their comprehensive scope:—

- A.—New Joint Stock Companies brought out in 1867, and also the Corresponding Figures for the Five Years, 1863-67.
 - B.—Wholesale Prices of Commodities in London and Manchester: Average of Six Years, 1845-50: Selected Dates, 1851-66: and Monthly, 1867.
 - C.—Foreign Exchange, 1841-67.
 - D.—Wholesale Prices, 1845-66: Proportionate Results.
 - E.—Bank of England: Weekly Return.
 - F.—Bank of France.
 - G.—Imports of Gold and Silver, in Millions Sterling, into the United Kingdom, 1862-67.
Exports of Gold and Silver, in Millions Sterling, from the United Kingdom, 1862-67.
 - H.—Highest and Lowest Prices of some of the Principal English and Foreign Stocks and Railway Shares in the Year 1867.
 - I.—United Kingdom: Imports and Exports of Gold and Silver Bullion and Specie in the Years 1866-67.
 - J.—Gold and Silver, 1851-67: Exports to Egypt and the East, from United Kingdom, &c.
 - K.—Prices of Grain: England and Wales: Calendar Year.
 - L.—Financial and Commercial Events, 1867.
 - M.—Changes in Mercantile Firms, 1867.
 - N.—Abstract of the Official Report (December, 1867), of Mr. B. Samuelson, M.P., on the State of Industry and Manufactures on the Continent.
 - O.—The Half-Yearly Meetings of the London Joint Stock Banks, 1867.
 - P.—United States: Distress and Disorganisation in the South and Growth of the Party who Advocate Repudiation of the Public Debt.
 - Q.—Course of Prices in New York in 1867.
 - R.—Liabilities of Directors of Limited and Other Companies for Fraudulent Balance Sheets.
 - S.—Liability of Dealers on Stock Exchange for Shares Purchased by them.
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II.—Statistics of British Gambling.

UNDER the title of “The Cost of Horseflesh,” the following interesting article appeared in a recent impression of the *Pall Mall Gazette*. As a statistical contribution on this subject the readers of the *Journal* will recognise it as unique:—

“The importance of horseflesh (especially since it has become an acknowledged article of food) can hardly be denied. To improve the breed of the horse, therefore, is more than ever a sacred duty. And what is the best way of improving the breed of horses? Dean Close may not believe it, but better judges of horseflesh than he is have said—to run them in races. Are not the race-meetings held, not for the sake of establishing little Pandemoniums, where every kind of vice may run riot, and where young noblemen and gentlemen may enter upon that career in which it is easy to outrun the constable and overtake the sheriff’s officer, but for the sake of improving the horse? And improvement of every kind costs money. You must offer prizes. Dr. Mark Pattison, speaking of the University of Oxford, says, ‘We distribute in prize-money a sum of over 120,000*l.* a-year,’ and that is only for the improvement of young men. Let us see what the improvement of the horse costs in the way of annual prize-money. It will be convenient to take the twelve months beginning with December, 1866, and ending with November, 1867. According to printed authority, we find that in December the prize-money given at the Donnington, Kingsbury, Ealing, and Westbury meetings amounted respectively to 893*l.*, 473*l.*, 800*l.*, and 377*l.*; or 2,543*l.* in all for the month; in January, at the Coverdale meeting, to 81*l.*; and in February the total was about 8,856*l.*, thus divided:—

	£		£		£
Manchester	269	Windsor	678	Boston	70
Carmarthenshire....	642	Lincoln	2,403	West Drayton	580
Newbridge	—	Moreton-in-Marsh	198	Nottingham	1,253
Oundle	235	Harrow	453	Derby	1,147
Birmingham	928				

“As the regular season approaches, the amounts get larger and larger: in March the list is as follows:—

	£		£		£
Liverpool	3,488	Norfolk	219	Epsom	4,960
Grand Military ...	877	Croydon	1,028	Brocklesby	290
Chelmsford	1,060	Margate	265	Lewes	709
Chertsey	568	Royal Artillery ...	—	Croxton Park.....	1,104
County Down.....	183	Warwick	860	Cheltenham	1,087
Malton	402	Bromley	665	Aylesbury	353
Shipston-on-Stour	156	Hayling	280	Melton Hunt	200

The total here is about 18,784*l.* in all for the month. Com-

mencing at once with April Fool's Day the meetings in April run thus :—

	£		£		£
Bridgnorth	195	Grantham	175	Durham	920
Cambridge	352	United Border }	379	Newmarket again	17,410
Rugby	263	Hunt }		Howden	171
Eastbourne	160	York	287	Knighton	335
Northampton	4,485	West Somerset ...	518	Hambledon Hunt	441
Isle of Wight	148	South Wold	145	Catterick Bridge	790
Newcastle	323	Abercromby	367	Stratford-upon- }	
Grand National }	1,564	Salisbury Hunt ...	410	Avon	170
Hunt		Thirsk	657	Bromyard	260
Edinburgh	274	Liverpool Hunt }	916	West Kent	434
Albrighton Hunt	90	Club		Kildare	1,983
Lichfield	624	Aldershot	900	Manchester	227
Newmarket	8,953	Old Windsor	98	Cardiff	714
Curragh	1,447	Hendon	206		

In all 47,795*l.* for the month. It is as well to consider the Chester meeting as having been confined to May, although it commenced on the last day of April, and thus it is found that the meetings during that merry month were :—

	£		£		£
Chester	5,860	Salisbury	2,445	Newton	1,659
Eglinton Hunt ...	1,161	Bath	3,982	Croydon	1,402
York	2,328	County Louth ...	—	Tipperary	—
Ascot	2,855	Harpenden	1,206	Cork	—
Howth	493	Epsom	18,085	Newark	127
Doncaster	1,071	Wye	168		

Or in all, 42,842*l.* for the month. In June there were :—

	£		£		£
Ascot	17,723	Bibury Club	7,275	Newcastle	3,482
West Drayton ...	342	Stockbridge	9,308	Worcester	1,597
Windsor	2,221	Beverley	925	Ipswich	938
Manchester	2,104	North Herts	223	Curragh	1,725
Hampton	2,067	Chelmsford	1,137	New Forest Hunt	195
Odiham	600				

In all, 51,862*l.* In July the meetings were :—

	£		£		£
Carlisle	763	Liverpool	2,570	Knutsford	708
Newmarket	5,660	Hungerford	753	Radcliffe	795
Bellewstown	413	Windsor	2,080	Huntingdon	3,071
Pontefract	1,005	Hayling	1,053	Winchester	2,365
Reading	1,716	Bewdley	38	Southampton	1,172
Cambridge	143	Spilsby	90	Midlothian	—
Mansfield	83	Down Royal	1,400	Roscommon	—
Aldershot	582	Stamford	3,887	Wisbeach	112

About 30,429*l.* in all for the month. The Goodwood meeting having run into August, will be given to that month, for which the list runs thus :—

£	£	£
Goodwood 17,033	Brighton Club 1,165	York 9,409
Airdrie 432	Chesterfield 554	Devon 439
Newton Abbot ... 164	Lewes 2,970	Plymouth 763
Ripon 847	Egham 2,211	Rainham 200
Leek 137	Wolverhampton ... 2,243	Derby 1,575
Brighton 2,992	Stockton 3,730	Canterbury 726
Heath of Mary- } borough }	Oxford 1,709	Great Yarmouth ... 725
Tiverton 150	Winlock 190	Weymouth 829
Paisley 450	West Drayton 471	Lichfield 956
	Hastings 574	Tunbridge 608

Or 54,252*l.* in all for the month. In September the amounts were :—

£	£	£
Margate 432	Kelso 1,955	Manchester 668
Warwick 2,231	Brecon 867	Newmarket 11,664
Curragh 1,675	Richmond 954	Walsall 275
Totnes 364	Hampton 1,145	Carlow 346
Wilmslow 141	Limerick 790	Tenby 368
Leicester 952	Ayr 1,315	West Dorset 135
Abingdon 996	King's Lynn 280	Gravesend 74
Doncaster 15,965	Hendon 470	Lanark 513
Folkstone 210	Monmouth 931	

45,053*l.* in all for the month. In October, taking the meetings no farther than the important meeting at Newmarket, it appears that there were prizes given at—

£	£	£
Northampton 1,144	Newmarket 21,855	Ealing 557
Cashel 315	Northallerton 548	Hereford 1,291
Edinburgh 1,704	Cheltenham 925	Perth 500
Bridgwater 255	Curragh 1,202	Newmarket 15,165
Bedford 1,279	Ellesmere 60	

46,800*l.* in all for the month. This point being gained, it is discovered that the figures for November, 1867, are not at hand; but it matters little what twelve months are taken; and therefore we will take the amounts for November, 1866 :—

£	£	£
Lincoln 1,637	Hendon 250	Chertsey 432
Ealing 394	Leamington and } Warwickshire } 4,990	Croydon 1,212
Liverpool 3,622	Hunt }	
Shrewsbury 5,584		

Or 18,121*l.* in all for the month. So that for the amount of prize-money during a period of twelve consecutive months we have to add together 18,121*l.*, 2,543*l.*, 81*l.*, 8,856*l.*, 18,784*l.*, 47,795*l.*, 42,842*l.*, 51,862*l.*, 30,429*l.*, 54,252*l.*, 45,053*l.*, and 46,800*l.*, and the total is made out to be 367,418*l.*, which quite bears out the statement made some time ago in *Bell's Life* to the effect that the prize-money given for races comes to more than 300,000*l.* In addition to this there are, of course, the bets, without which it is declared on high authority that nobody can afford to run racehorses. The

figures here set down are no doubt very incorrect, for the authorities are often badly printed, sometimes disagree, occasionally do not give (especially in the case of Irish meetings), the value of the prizes, and it does not fall to the lot of every mortal to be as accurate as the sainted Cocker; it may be pretty confidently asserted, however, that the amounts are rather below than above the mark. If, then, between three and four hundred thousand pounds be given away in a year as prize-money at the race meetings of the United Kingdom, some idea of the tremendous amount of money 'floating' about racecourses may be formed when it is remembered that in the case of every prize bets are made to the extent of some considerable multiple of its value."

III.—Co-operative Societies.

THE annexed article appeared in the *Manchester Guardian* of the 24th December, under the title of "The Co-operative Societies of Lancashire:"—

"The success which followed the establishment of the Equitable Pioneers Co-operative Society at Rochdale, about twenty years since, has begotten a host of imitators. Some have failed, others succeeded, the result being that at the close of 1855, according to the statement of the registrar of friendly societies, 752 of these institutions were in existence, and that 76 were dissolved during the currency of 1866. 264 societies had their rules certified during the latter year. These being new undertakings, would bring the total up to 940 for England and Wales, if we understand Mr. Tidd Pratt's statistics aright. With regard to their working, we have only the particulars of 436 societies, a large number having neglected to send to the registrar their annual accounts. This negligence for the future will not go unpunished. By 30 and 31 Vict., cap. 117, a penalty of not more than 5*l.*, nor less than 2*l.*, will be imposed on every society which fails or refuses to make out and transmit its annual account. This is a power which the registrar will doubtless use to the benefit of the public, and for the completion of his yearly reports to parliament. Short as the return before us is of completeness, it yet shows that on the 31st December, 1866, there were 173,432 members of co-operative societies, and that the money 'turned over' in the course of the year was between 4,000,000*l.* and 5,000,000*l.*—figures which indicate the growing importance and acceptance of the principle involved in these associations. A parliamentary return, running over sixty folio pages, with a few meagre totals at the end, only affords the raw material for a compilation of statistics, but fails in itself as a satisfactory exposition of the principal facts. The kingdom is broadly distinguished in character by its counties, but in the document before us no one of the counties is summarised. The reader who wishes to compare Lancashire, for instance, with Devonshire or Norfolk, must with laborious detail bring the particulars together for himself. This should not be, for if the whole kingdom is capable of presentment in a brief tabular form, surely its constituent parts are susceptible of a similar treatment. Lancashire is the birthplace and genial home of co-operation; in our county many societies flourish, though, of course, all do not bear equal fruits. Counting all, there are 144 societies, but many are small. These would occupy in tabulation more space than we should care to bestow, therefore we limit the following selection to such associations as have 300 members and upwards:—

*The Principal Co-operative Societies of Lancashire, as they stood on the
31st December, 1866.*

Registered Office of Society.	Number of Members, 1866.	Goods Bought in 1866.	Goods Sold in 1866.	Profits Realised in 1866.
		£	£	£
Accrington	1,510	35,138	38,297	3,544
Ashton-under-Lyne.....	416	7,387	7,763	703
Bacup	2,239	72,684	85,002	10,722
Blackburn, York Street	338	9,705	10,338	497
Blakey Moor	445	12,406	12,987	835
Blackley	330	8,309	9,133	693
Bolton, Bridge Street	1,718	29,399	31,530	2,816
Brickfield, near Rochdale	411	11,683	13,476	1,632
Bury, Market Street	4,100	117,395	135,175	16,191
Chorley, Market Place	969	20,050	24,153	1,425
Dalton-in-Furness	428	8,373	9,253	799
Over Darwen	1,089	34,667	37,586	2,678
Eccles	762	17,044	18,688	1,970
Healey	301	8,259	9,003	1,124
Failssworth	686	15,536	16,615	1,208
Great Harwood	318	5,576	6,387	783
Haslingden	452	9,586	11,211	1,931
Heywood	858	28,240	31,607	3,725
Hindley.....	473	12,578	13,547	1,195
Whitworth	520	15,310	17,231	2,200
Hulme, Medlock Street	1,710	32,642	38,505	3,576
Lancaster, New „	919	17,263	19,504	1,995
Littleborough	548	19,044	21,032	2,353
Manchester, Dantzic Street	31,030	174,800	175,044	2,806
„ Downing „	2,585	48,182	55,197	3,844
Middleton.....	581	13,464	15,859	1,552
Milnrow.....	757	2,305	26,042	3,430
Mossley.....	1,097	33,910	37,151	3,541
Oldham, Greenacres Hill	1,406	68,904	78,671	9,272
„ King Street	2,260	78,665	87,614	11,376
Prestwich	502	8,419	9,368	1,273
Radcliffe	605	11,775	12,896	1,389
Ramsbottom	979	21,169	23,885	3,477
Rawtenstall, Lord Street	739	18,110	21,579	3,051
„ Cawl Terrace	524	13,924	15,514	2,054
Rochdale (Equitable Pioneers) ..	6,246	220,238	249,122	31,931
Shaw	450	16,995	18,380	1,994
Steeps, near Rochdale.....	312	9,141	10,188	1,074
Todmorden	485	16,407	18,551	2,052
Tunsted.....	350	11,977	14,290	2,205
Waterfoot.....	537	12,449	14,468	1,770

“ In this account there are forty societies represented. The names are not given because they appear more frequently to be distinguished by their locality than their title. ‘Co-operative,’ ‘industrial co-operative,’ ‘provident,’ &c., are the favourable adjectives in their designations. The objects of the respective societies in general, are for the sale of groceries, drapery, and clothing. One, with an innocent ambiguity of phrase, returns itself as engaged in ‘butchery and

clogging.' The table exhibits but two or three items, but they seemed best calculated to convey in a brief manner the extent of the business carried on by each store. The selected societies mustered 73,000 members, and they sold goods in the course of the year, amounting to 1,500,000*l.* and a fraction over; hence, under the last-named phase, they equalled one-third of the aggregate sales of the kingdom. The accounts are usually audited once a-quarter by members, and occasionally by non-members. In the matter of realised profits, the last column of the statement is probably an unreliable exponent for comparing one society with another, and for this reason, that the price fixed on articles over prime cost, we believe, varies. The stores may be distributed at a small advance to cover working expenses and depreciation; or, they may be sold at the market price of the place, and the members receive their advantage periodically in the shape of dividends.

"The profits are usually applied to interest on shares, dividends to members, occasionally to non-members, depreciation of stock, reserve fund, and not unfrequently to the payment of an item termed 'educational,' which we believe is not meant for schooling in the ordinary sense, but for the maintenance and supply of a reading-room—a very pleasing adjunct to some of these undertakings. The sums applied to the purpose are generally moderate, varying between 20*l.* and 50*l.* But in one or two instances they are much larger. The Oldham Society (King Street) devoted last year 217*l.* to the 'educational fund,' and the Rochdale Equitable Pioneers no less than 681*l.* to 'education.' The Rawtenstall Society gave out of their profits 53*l.* for 'library and newsroom.'

"The oldest, the most prosperous, and the type followed by other organisations—the Equitable Pioneers—deserves a few more words than we can give to the others. At the latest date officially published, these were the principal circumstances recorded. Established in 1844, it had 6,246 members on its books at the close of 1866. During the year 1,675 new members joined, and 753 old ones withdrew, hence the clear accessions over withdrawals amounted to 920 members. The shares are 1*l.* each; the total received from that source during the society's existence was 51,986*l.* The withdrawing members in 1866 took out for their share the large sum of 30,729*l.* The share capital amounted to 97,489*l.*; the loan capital was small, 418*l.*, but the interest received on loans was 76*l.* The amount paid by the society for interest during this year was 3,823*l.* The rate of interest is not stated, but at 5 per cent. this sum would pay for a loan of 76,000*l.* for twelve months. Cash paid for goods purchased was 220,238*l.*; goods sold 249,122*l.*; profit realised, 31,931*l.* The profit was thus applied:—

	£
Interest	3,823
Dividend on purchases	25,829
Education	681
Reserve fund	252
Depreciation of fixed stock	1,197
Charities	165

"The whole of the working expenses for the year, that is to say, wages, rent, rates, and taxes, and all incidental repairs, &c., was 7,795*l.*, which upon the value of the goods sold is equivalent to 3*l.* 2*s.* 6*d.* per cent. The cash in hand, that is, at the banker's, treasurer's, or with other officers, figured at the respectable amount of 25,034*l.* The assets of the society were valued at 99,989*l.*, which, for the convenience of remembering, we will call 100,000*l.*, and the total liabilities at 81*l.* Credit is neither given nor taken, and the society's accounts are subjected to a quarterly scrutiny by auditors chosen from among the members.

"The North of England Co-operative Society counts far more members than the Pioneers, namely, 31,030; but their transactions, though very considerable, are less than the Rochdale society by 70,000*l.* or more in the year.

"Of the two or three societies in Lancashire which have entered the field as co-operative manufacturers and capitalists, we have said nothing. The distributive societies whose function is to buy goods at wholesale prices, and then divide them among the members according to the wants of each individual, require but common

prudence, skill, and honesty in working to obtain success. Needful as such qualities are in all business undertakings that are to be remunerative, there is something much beyond them required when workpeople contend as competitors with great capitalists. The co-operative store is a simple prudential arrangement—the co-operative factory must be a much more complex enterprise, the prudence of which in any case actual trial alone can prove. The Rochdale co-operative corn mill shows upon a sale of 202,000*l.* worth of goods, 18,000*l.* profit, but this society are general dealers also, and what they gained as millers only we cannot say. The co-operative cotton factory in the same town made sales to the extent of 108,000*l.*; the realised profits were 4,620*l.* This concern appears to be confined to spinning and manufacturing cotton.

“Within these two or three years the principle of co-operative stores has found favour with certain sections of the middle classes in London. The civil servants of the crown have established two large stores under different committees. The first was formed in the city, and the second at the west end. The city store is open to the government clerks and to any of their friends whom they may choose to nominate. The west end society reckons a more opulent class among its members than the earlier institution. Membership is strictly confined to Government employes, clergymen, and officers of the army and navy. The success of both has been great beyond all anticipation, and the naturalisation of the co-operative principle in buying and selling has been thus fairly inaugurated with a class in the social ranks above those with whom it originated. For this good lesson London must thank the Rochdale Pioneers.”

IV.—*The Last Harvest.*

THE estimates of the yield of corn-cropping in England, collected by the proprietors of the *Mark Lane Express*, may be profitably collated with the agricultural returns recently issued by the Board of Trade:—

“Subjoined is the condensed substance of 550 letters, received from all parts of England relating to the cereal crops of the harvest of 1867, a tabulated statement from which was inserted in our last week’s supplement, while in another part of this week’s paper is an abstract of the letters taken *seriatim*, with the remarks of such of the writers as expressed their opinion further than by direct replies to the questions proposed. The following are the chief results of the inquiry:—

	Wheat.	Barley.	Oats.	Beans.	Peas.
Failure	—	—	—	—	18
Two-thirds under average	7	—	—	3	31
Half	20	2	8	7	—
One-third	57	27	14	19	27
One-fourth	85	6	4	24	34
One-fifth	42	33	2	—	—
One-sixth	13	1	18	—	—
Under average	234	145	86	168	127
Average	81	268	280	140	142
Over average	7	30	69	9	18
One-sixth over average	—	8	—	—	—
One-fifth	—	8	2	—	—
One-fourth	4	—	1	3	5
One-third	—	2	14	1	1
One-half	—	—	8	1	2
Totals	550	522	515	375	405

“In comparing the above table with that of the previous year 1866, it will be found that in all kinds of cereal produce, except oats, the results are considerably

less favourable to the last than to the previous harvest, as will be seen by the following comparative statement:—

Years.	Wheat. Average.		Barley. Average.		Oats. Average.		Beans. Average.		Peas. Average.	
	Under.	Over.	Under.	Over.	Under.	Over.	Under.	Over.	Under.	Over.
1867	452	92	214	303	132	382	221	154	237	168
'66	328	246	171	368	183	330	101	296	63	362

“ From this table it appears that the number of reports of a deficient crop in 1867 exceeds those of 1866 in the following proportions, viz., wheat, 124; barley, 43; beans 120; peas, 174; while the returns of oats are in favour of the last crop to the extent of 51. As usual, most of the returns of deficiency are simply stated to be under average, without estimating or giving the probable amount; but from the general tenour of the reports and the numerous cases of much under, greatly under, very much under, we may infer that many of these ought to occupy places higher in the table, and lower in the scale of produce. There are two circumstances in favour of the past year, which so far as the interest of the growers be concerned, go to mitigate the disastrous harvest. The first is, that, with the exception of the most early districts, the crops of wheat were housed in excellent order; whereas, in the harvest of 1866, a very large proportion of the crops, particularly in the north of England, were most seriously damaged by wet weather. The second circumstance is, that the price of all kinds of grain has from the first of the season been in proportion to the deficiency, thus compensating some degree for the smallness of the yield. We may account for this by the exceptional fact that there has been a general deficiency in the harvest of 1867 throughout Europe, saving only in Hungary and some other of the Danubian provinces, which has prevented other countries from supplying us with the required amount; while of course greater competition has been created for that which could be spared from those countries which had an excess over their own consumption. Add to this, that the American market has been nearly closed against us by our prices being too low to allow a profit to the exporter, and there is no difficulty in accounting for the high prices now ruling in every part of the world. With regard to the actual deficiency, we think that the materials of the tables warrant us in estimating it fully one-fourth of an average, or 4,000,000 quarters, in the wheat crop, which is about 700,000 quarters beyond the deficiency estimated on in the crops of 1866. In this estimate, however, we include the crops of the whole United Kingdom, which, although not comprehended in the returns, are supposed to be on a par in point of produce with England. With respect to the barley crop, although on the face of the account the yield is smaller than in 1867, yet the quality is occasionally good as well as the condition; while the oat crop is, beyond all question, far superior to that of 1866, both in yield, quality, and condition, that grain having sustained as much damage as the barley from the rains in 1866. The bean crop is very deficient this season, but the condition and quality are good. The peas are in most respects inferior to the crops of 1866, the number under average exceeding the previous year by 174. It must not be lost sight of, in calculating for the future, that the wheat crop was begun upon as soon as the crops were housed, there being no stock of old wheat in the country. With a deficient produce of 4,000,000 quarters, we have to a large extent anticipated the threshing of the summer, and we have, consequently, a much smaller stock on hand than in any season since 1854. It is, therefore, probable that by next harvest we shall find ourselves as short of stock as at the last; but as we do not profess to prophesy, we shall leave the reader to draw his own conclusions from the foregoing facts.”

V.—*Public Instruction in Turkey.*

SUPPLEMENT to Mr. Hyde Clarke's Paper (vol. xxx, pp. 502 *et seq.*), from a communication of His Excellency Subhi Bey, Minister of Public Instruction, under date Constantinople, 26th November, 1867:—

	Schools.	Males.	Females.	Total.
STAMBOUL AND SUBURBS.				
Rushdiyeh	12	1,450	—	1,450*
Mussulman primary schools	279	13,380	7,449	21,829
Non-Mussulman „	144	16,217	—	16,217
				38,496
Normal school	1	60	—	—
Aklam de (public administration)	1	85	—	—
Civil school	1	55	—	—
School of languages for Turkish, French, } Greek, and Bulgarian	1	28	—	228
	439	31,275	7,449	38,724
ROUMELIA AND ANATOLIA.				
Rushdiyeh schools.....	108	6,380	—	6,380
Mussulman primary schools	10,229	228,637	119,005	347,642
Non-Mussulman „	2,351	98,873	10,314	111,187
	12,688	333,890	129,519	463,209
Grand total returned	—	501,930		

* These figures do not include the four special schools returned below in the same column, nor the female rushdiyeh.

VI.—*The Quarterly Tables.*

It is necessary to point out certain changes which have been introduced into these statements. The whole of the tabular matter of the English, Scotch, and Irish registration reports is retained in the shape heretofore printed, but to save space, the usual textual comments are omitted. To the table of the Note Circulation of the United Kingdom, at p. 120, a column has been added, showing the total amount of London Clearances in each week of the quarter. The tables in their present form will be continued in the future numbers of the *Journal*.

The Agricultural Statistics will not be omitted from the periodical tables, but for the present year it is deemed more convenient to print them in the *June Journal*.